

JASPER REDEVELOPMENT COMMISSION AUGUST 28, 2014



Information on Tax Increment Financing - TIF

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Owner

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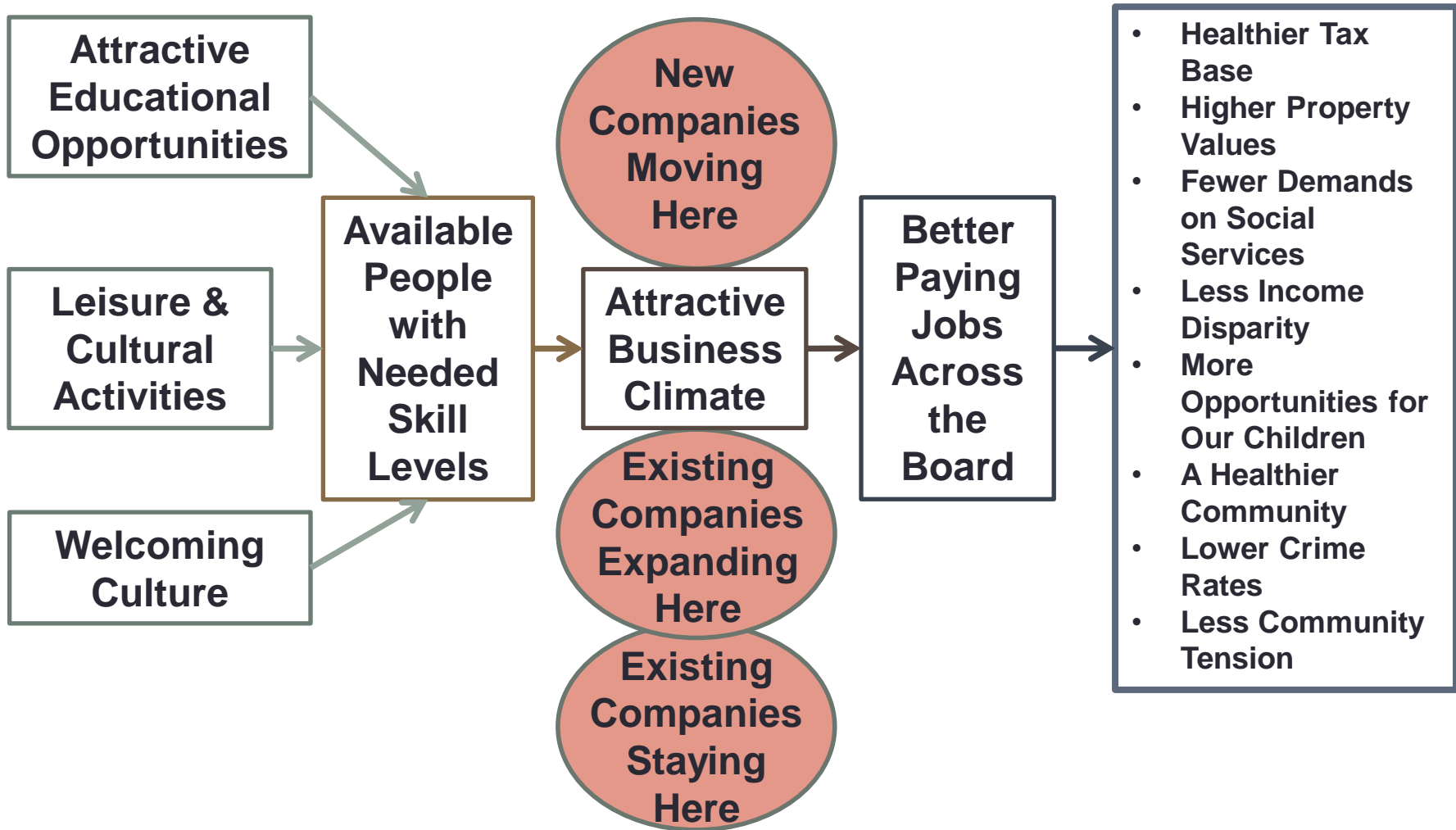
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Providing freedom of thought, choice and action.

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Why are we interested in Redevelopment?



What are some incentives for redevelopment and economic development?

- Tax Increment Financing
- Tax Abatement
- Incremental sales and use taxes (CRED Districts and Certified Tech Parks)
- Special assessments
- Property taxes:
Cumulative Capital funds and G.O. bonds
- Local Option Income Taxes: EDIT, COIT, CAGIT
- Economic Development Revenue Bonds – tax exempt or subsidized
- Local Hiring Incentives (new employee income tax)
- Other Taxes
 - Food and Beverage, Innkeepers, Wheel, Surtax
- User Fees – utility revenue bonds, availability fees

Why offer incentives for redevelopment and economic development

- TIF can induce capital investment in area that otherwise may not have occurred
- There is intense competition with other communities offering incentives
- Allows for targeting market segments or preferred industries
- Fosters retention of existing jobs and/or creation of new jobs
- Encourages: existing businesses to reinvest, new businesses to invest
- These help increase local tax base, reduce burden to existing tax payers



What is Tax Increment Financing (TIF)?

- Tax Increment Financing is a tool that captures the new assessed value or taxes (real or personal) from new private development in an area called an allocation area.
- TIF is used to fund infrastructure in or serving the allocation area to further the economic initiatives of the community / redevelopment commission
- The “but for” question. The question is would the development happen but for the incentives or assistance?

What is the purpose of TIF?

- TIF is a tool that provides incentives and funds infrastructure necessary to foster economic growth and private investment
- Fosters orderly economic growth in areas identified by the community
- Fosters reinvestment and redevelopment in deteriorating and aging areas

What are the benefits of TIF?

- TIF is not an additional tax levy
- TIF may be used to fund training with schools up to 15% of collected TIF
- TIF is a flexible funding source
- TIF can be used with other funding sources
- TIF fosters growth in the property tax base
- TIF stimulates the local economy
 - Job creation
 - Increased spending and income



What are the costs of TIF?

- For the life of the TIF allocation area (25 years in Indiana) other taxing entities may not receive the AV associated with the new development
- TIF bonds may require general fund back up
- TIF bonds may require extra security or higher coverage rate

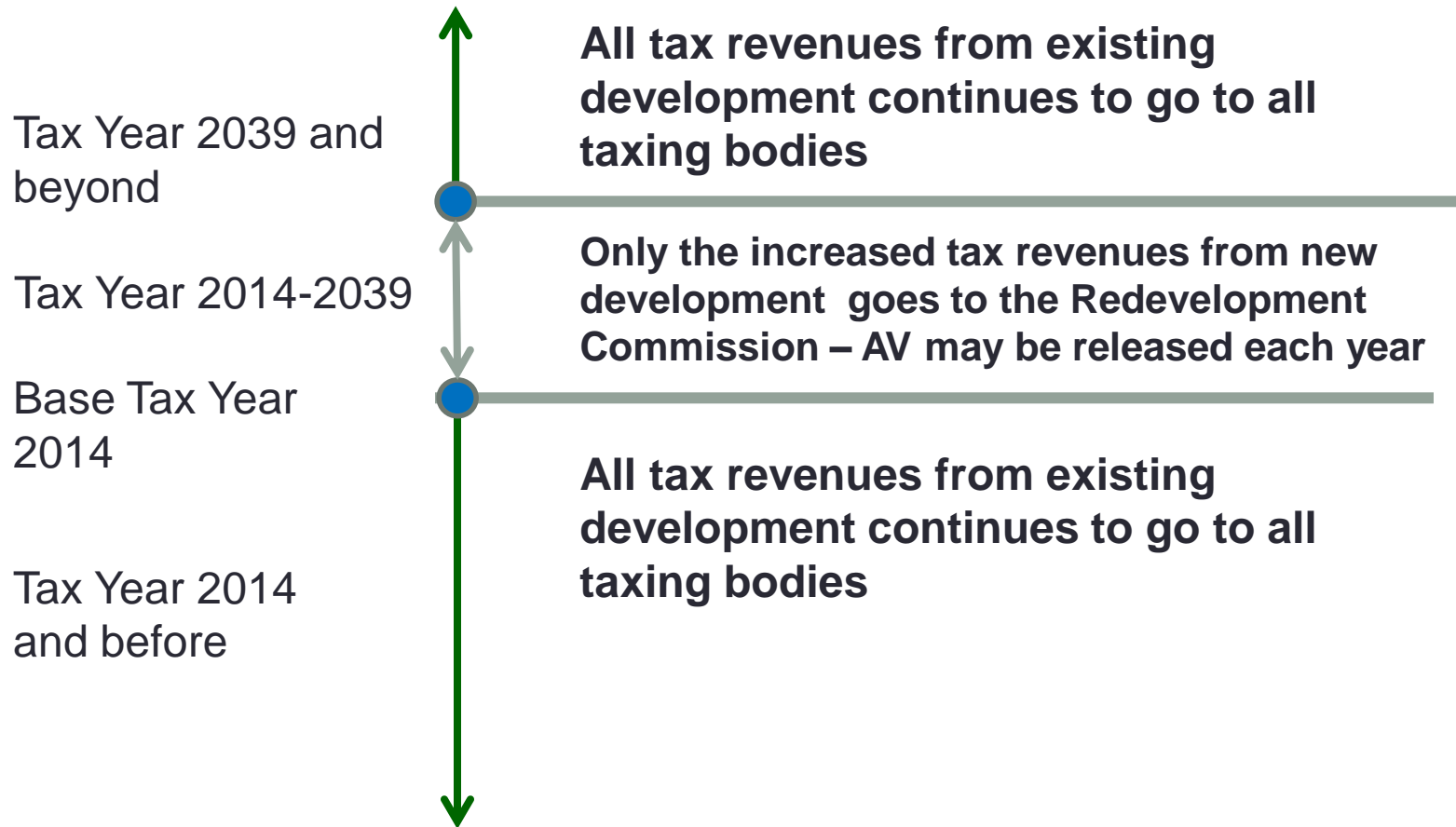
What can TIF be used for?

- Typically TIF is used for infrastructure necessary to foster the development
 - Roads, walks and curbs
 - Utilities – Water, storm, sanitary, electric
 - Rail
 - Land acquisition and / or site development
 - Buildings / equipment
 - Sports facilities
- Funding
 - Can be pay as funds are available
 - Bonds based on projected revenues of new development
 - Bonds based on strength of allocation area

What are some TIF examples?

- Parking Garages
- Roads, utilities and curbs for Industrial park
- Apartment complex
- Soccer fields
- Airport Tower
- Downtown development

How TIF Works



The Jasper Redevelopment Commission has three overall goals:

- Enhance the economic health and vitality of Jasper
- Provide the environment for business and industry attraction, expansion, and growth
- Increase the city's tax base



Central to the achievement of those overarching goals are the following objectives:

- Collaboration and facilitation with other agencies and entities to implement the goals and objectives of the City of Jasper and the Jasper Redevelopment Commission
- Maintain and enhance community assets that attract visitors, residents, business, industry and workforce
- Maintain a vibrant, active, attractive downtown
- Provide the full range of high-quality infrastructure elements necessary to support business and industry growth, retention and attraction
- Continue to provide attractive parks and open space and a wide variety of recreational opportunities
- Grow tourism and sports tourism
- Integrate arts throughout the City of Jasper
- Grow amateur sports



Why are we interested in Redevelopment?

Because it makes good business sense!

